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 Ellsberg, Daniel

PENTAGON PAPERS HURT FIRM

Rand Chief's Resignation Tied to Ellsberg

Despite official denials, Daniel Ellsberg's release of the top-secret Pentagon Papers was one of the factors which led to the resignation of Henry S. Rowen as president of the Rand Corporation, informed sources said Tuesday.

Rowen resigned saying he was doing so because change in management is necessary to maintain the vitality of institutions. He made no mention of the Pentagon Papers.

Rand spokesmen flatly stated there was no connection between Rowen's decision and Ellsberg's release of copies of the controversial document to the press.

But a source inside Rand disputed the official version. "It was a complicated decision involving many factors, one of which was the Pentagon Papers," he said.

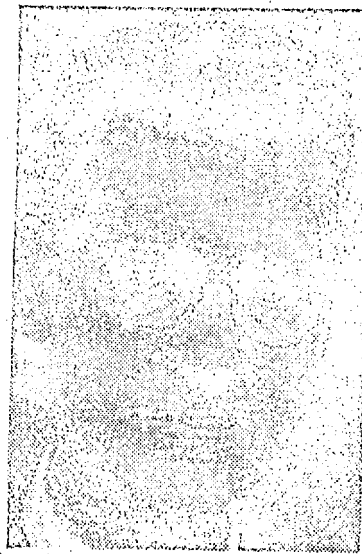
"Rand would have been happier if it (release of the documents) had not happened, and it would not be honest to say Rowen's resignation was in no way affected by this," he added.

The disclosure of the Pentagon Papers damaged Defense Department confidence in Rand and led Secretary Melvin L. Laird to place the Air Force in charge of all classified documents in Rand's possession.

Ellsberg has admitted that he duplicated Rand's copy of the Pentagon Papers which he then distributed.

Informed sources said, however, that the leak of the documents alone was "not sufficient reason" for Rowen's resignation.

It served as a catalyst in bringing



QUITS—Henry S. Rowen, who has resigned from Rand Corp.

other criticisms of Rowen of defense from 1961 to 1965. He came to Rand as president in 1967. This expansion was a board of trustees decision and had no bearing on Rowen's resignation, according to one Rand source.

"Rowen is a man interested in ideas and in scientific work and he found the duties of an administrator burdensome and boring," he said.

"He was acceptable as an administrator, but he was not a superb one. He felt things would be better all around if he left."

An Oxford-trained economist, Rowen served as deputy assistant secretary

of defense from 1961 to 1965.

When Rowen announced his resignation, he said he would stay for up to 18 months so a successor could be chosen.

Rand officials said Rowen would have no comment on his resignation.